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October 15, 1963.

Frank A. White, R.A.I.C., A.I.A.,

199 Queens Ave., London, Ontario.

Mr. H.R. Hanson, Secretary,
Ontario Committee on Taxation,
88 University Ave.,
Toronto 1.

Gentlemen:

I wish to draw your attention to an aspect of taxation that appears inequitable and deals with the use of fixed ratios of Business tax to property assessment.

I submit that if the tax is on business it should bear relation to volume, profit, or kind, but not on the extent to which it uses real estate, land or building, in comparison with tools or equipment.

My dentist rents an area 12 x 20 for which he pays $50.00 per month. His equipment is owned and leased and represents a monthly cost of $200.00.

My doctor has his office in his home, sharing one-sixth of its cost to his practice. His equipment is in large part supplied by his use of the local hospitals operating and treatment facilities. Cost: $26.00 per month.

My Architectural practice requires large areas of office space to accommodate large drawing tables, spread drawings and provide for periodic conferences with large groups of building committees and school boards. Rent: $150.00 per month.

My tax is three times the dentist's and six times the doctor's. My income is less than the dentist and one-half the doctor who pays one-sixth of my business tax.

The second anomaly deals with business tax on occupancies where the value of the land is increasing and the existing old buildings are about ready for demolition. The owner is fairly taxed on the market value of the land. The tenant is interested in the present value of the building he occupies and pays a fair rent. He is, however, taxed equally on the land where value is of nominal concern or value to him.

I list below a comparison of two buildings opposite each other in London, Ontario.

	199 Queens	200 Queens
Land Assessment	$18,270	$59,700
Building Assessment	$19,270	$638,000

No. 199 is in transition, therefore, for each dollar assessment of building I pay tax on 95¢ land assessment. While in a new building No. 200 for each dollar assessment of building needs pay only 10¢ on land assessment.

Business tax should be based, if on real estate at all, only on the building and not the land.

Respectfully submitted,
Frank A. White.

Signature

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